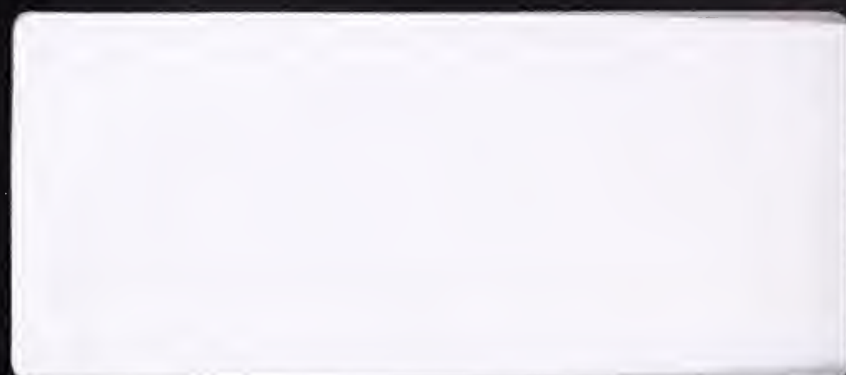


Software Products  
Support Services and  
Desktop Services







Software Products  
Support Services and  
Desktop Services

INPUT LIBRARY

RECEIVED 12-94

**INPUT®**

Frankfurt • London • New York • Paris • San Francisco • Tokyo • Washington, D.C.

Published by  
INPUT  
1881 Landings Drive  
Mountain View, CA 94043-0848  
U.S.A.

***Software Products Support Services and  
Desktop Services***

Copyright © 1994 by INPUT. All rights reserved.  
Printed in the United States of America.

No part of this presentation may be reproduced or distributed in any form, or by any means, or stored in a data base or retrieval system, without the prior written permission of the publisher.

The information provided in this presentation shall be used only by the employees of and within the current corporate structure of INPUT's clients, and will not be disclosed to any other organization or person including parent, subsidiary, or affiliated organization without prior written consent of INPUT.

INPUT exercises its best efforts in preparation of the information provided in this presentation and believes the information contained herein to be accurate. However, INPUT shall have no liability for any loss or expense that may result from incompleteness or inaccuracy of the information provided.

# Software Products Support Services and Desktop Services

MMONa-1

**INPUT**

Notes:

# Peter Cunningham President and CEO INPUT

MMONa-2

**INPUT**

Notes:

# Agenda

- Current status of software product support
- Software products support market
- Software products vendor trends and issues
- User trends
- Desktop services

MMONa-3

**INPUT**

Notes:

# Current Status of Software Products Support

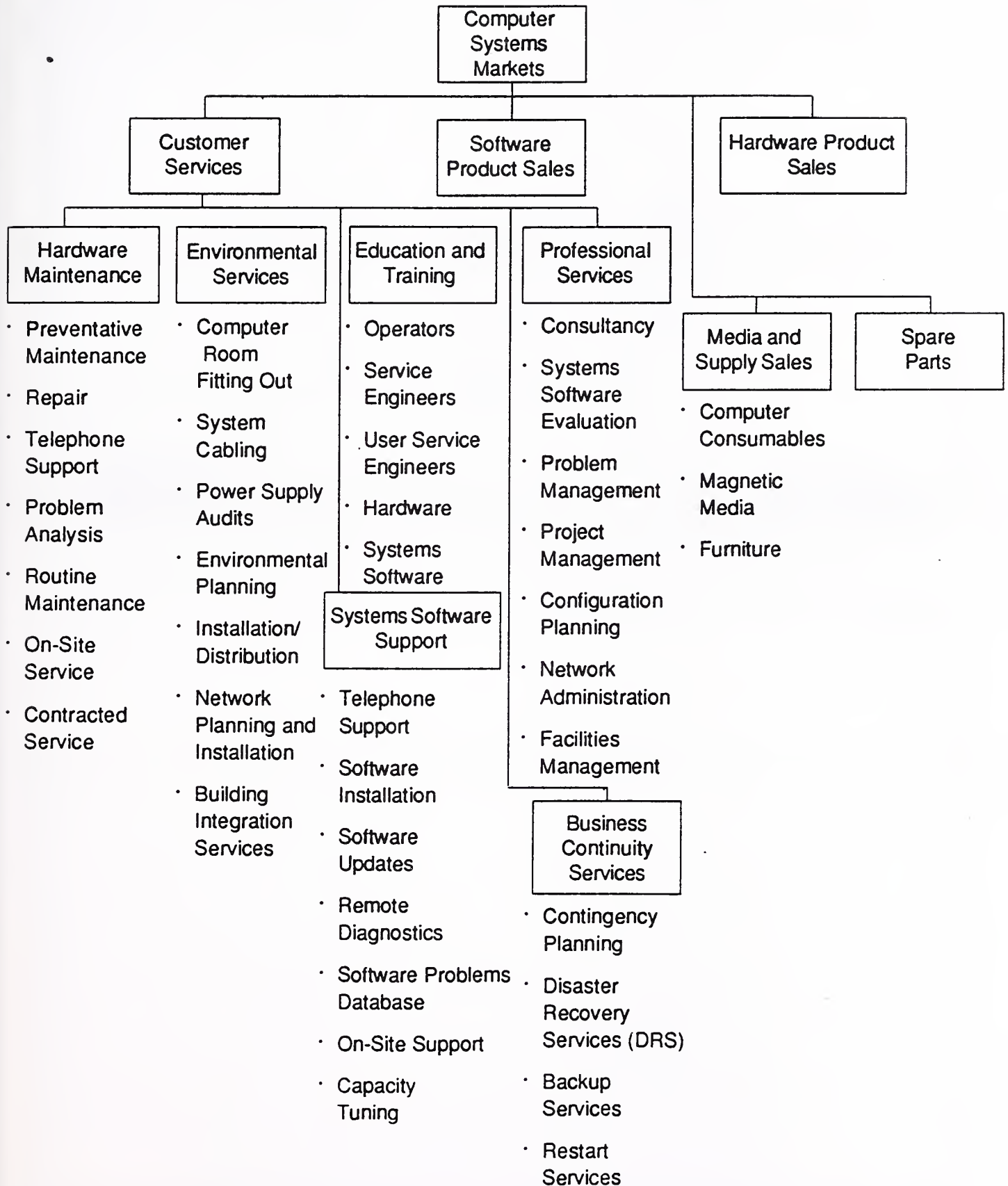
MMONa-4

**INPUT**

Notes:



# Customer Services Market Structure



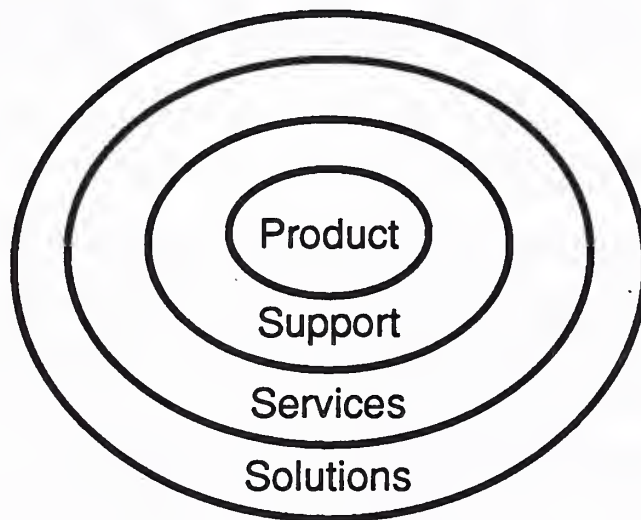
# Trend

Maintenance → Customer Support → Customer Services

MMONa-5

**INPUT**

Notes:



MMONa-6

**INPUT**

Notes:

# Traditional Elements of Software Product Support

- Software installation
- Telecommunications provided support
- Software updates
- Remote diagnostics
- Software problems data base
- On-site support (sometimes)

MMONa-7

**INPUT**

Notes:



## Technology Applications in Software Product Support and Services

- Remote software distribution, assets management, remote diagnostics
- Voice services
  - 800 numbers
  - 900 numbers
  - Expert systems-based call tracking help desk systems
  - Automated call distribution

**INPUT**

MMONa-8

Notes:

## Technology Applications in Software Product Support and Services

- Image/fax services
- Remote printing
- Electronic billboards
- Automated customer information response systems—problem resolution databases
- Embedded documentation/training

MMONa-9

**INPUT**

Notes:

## Most Common Software Product Support and Services Provided by Vendors

- Software hotline support as part of a maintenance contract
- Software “bug” fixes as part of a limited period warranty
- Professional services, separately priced
- Systems integration, separately priced
- Software enhancements and product support services, unbundled pricing
- Training as part of a maintenance contract

MMONa-10

**INPUT**

Notes:

# Software Product Services Opportunities for the 1990s

- Education
- Logistics
- Consulting
- Customization
- Systems integration
- Software development (customer)
- Conversion
- Outsourcing
- Performance analysis
- Application maintenance
- Software support
- Application or function management

MMONa-11

**INPUT**

Notes:



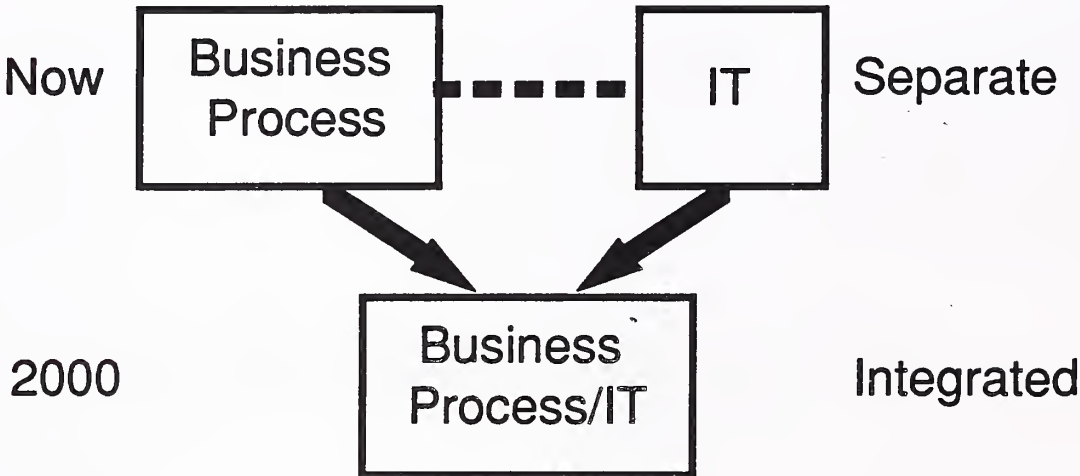
# Forces Affecting Software

MMONa-12

**INPUT**

Notes:

# Integration of IT and Business Processes



MMONa-13

**INPUT**

Notes:

# Revolutions

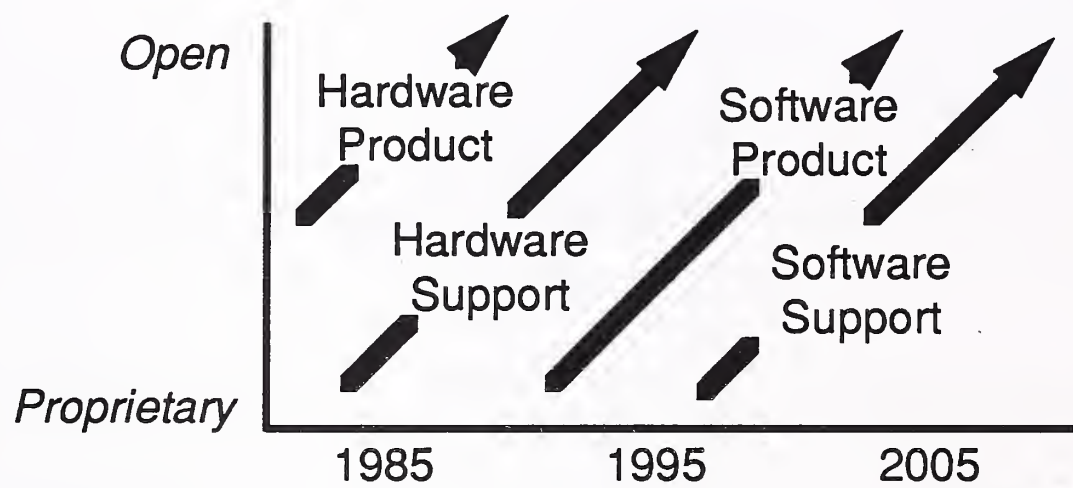
- Downsizing
- Outsourcing
- Re-engineering
- Networking

MMONa-14

**INPUT**

Notes:

# Software Support Enters the Open Market

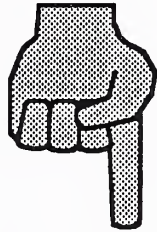


MMONa-15

**INPUT**

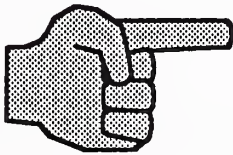
Notes:





## Trend

- Push down on product pricing



- Push out towards services

**INPUT**

MMONa-16

Notes:

Old

- Customers paid for conflict resolution in product price

New

- Customers pay for conflict resolution in service price

MMONa-17

**INPUT**

Notes:

# Traditional Maintenance

- High margin
- Closed
- Cost center

MMONa-18

**INPUT**

Notes:

# Customer Services

- Lower margin
- Competitive (open)
- Profit centers

MMONa-19

**INPUT**

Notes:



# Keys to Success

- Use of technology
- Pricing
- Customer sensitivity
- Services (solution) orientation
- Standards

MMONa-20

**INPUT**

Notes:

# Software Products Support Market

MMONa-21

**INPUT**

Notes:

# U.S. Software Vendors Market

	Market Size (\$B)	
	1993	1998
Software Products Sales	35.0	53.4
Software Products Support	10.8	25.7
Software Product-related Services	8.4	22.8
Total	54.2	101.9

**INPUT**

MMONa-22

Notes:

# Worldwide Software Products Market

	Market Size (\$B)	
	1993	1998
Software Products Sales	62	93
Software Products Support	19	46
Software Product-related Services	15	40
Total	96	179

MMONa-23

**INPUT**

Notes:

# Software Product Support Trends and Issues

MMONa-24

**INPUT**

Notes:



# PC Software Product Support Trends

- Free support services using hot-line/help desk
- Limited use of delivery channels for support
- Requires knowledge of:
  - Vendor software
  - Multiple operating systems
  - Competitive software
  - Multiple hardware platforms
  - Interaction between all of the above

MMONa-25

**INPUT**

Notes:

# PC Software Product Support Issues

- Lower product pricing
- Need for free product support
- Increasing complexity of product support
- Increasing professional skill requirements

MMONa-26

**INPUT**

Notes:

## WS/Mainframe Software Product Support Trends

- Products and environments tend to be more complex
- Clients tend to stay longer with vendors
- Greater use of maintenance/support contracts
- Bundled/unbundled options offered. Examples:
  - Professional Services
  - Systems Integration

MMONa-27

**INPUT**

Notes:

## WS/Mainframe Software Product Support Issues

- WS-based turnkey systems frequently UNIX-based
  - More complex than PC environments
  - More support required
- Pricing of unbundled support services
  - Lower margins than software products
  - Require high utilization for profitability
- Growing need for understanding high-level applications development platforms

MMONa-28

**INPUT**

Notes:

# Software Product Support Pricing Strategies

- Tiered pricing based on service levels
- Free implementation and a limited number of free support days
- Free common access support services (bulletin boards, hot-line, etc.)
- Automated information response systems
- Time of usage pricing

MMONa-29

**INPUT**

Notes:

# User Trends

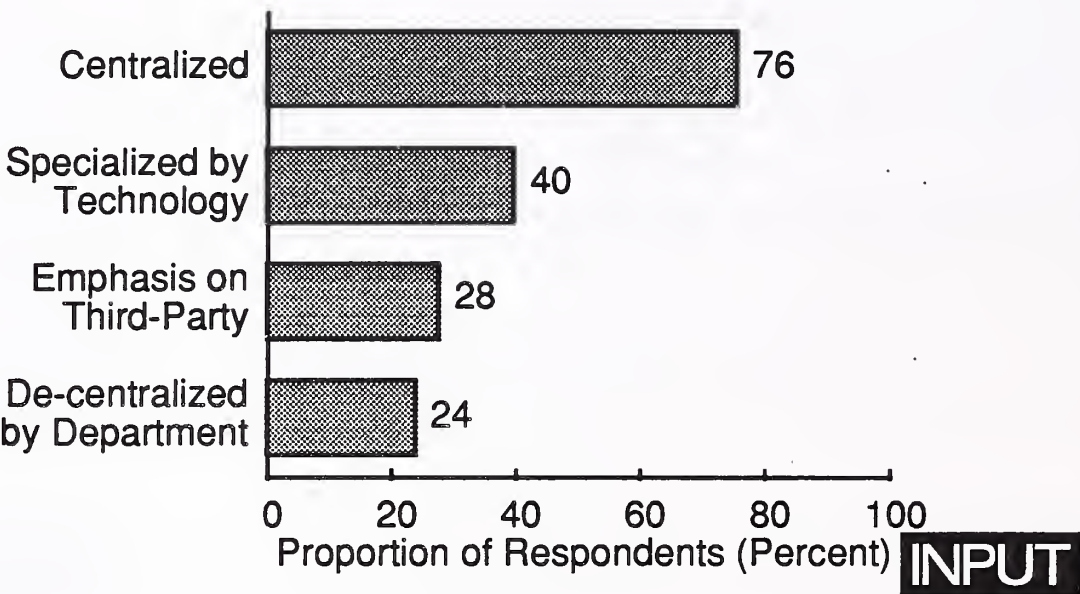
MMONa-30

**INPUT**

Notes:



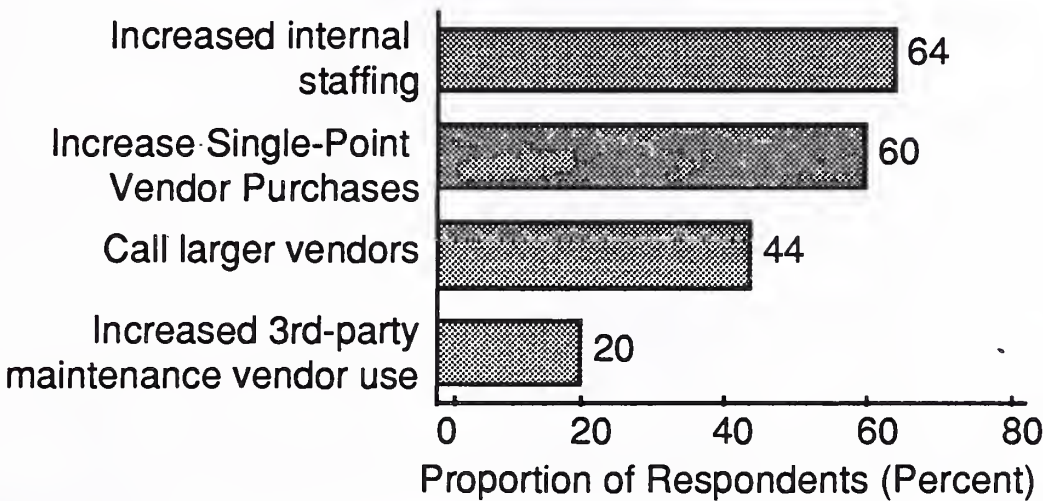
# Location of Software Support Services within the Company



MMONa-31

Notes:

# User Approaches to Multivendor Software Product Support Issues

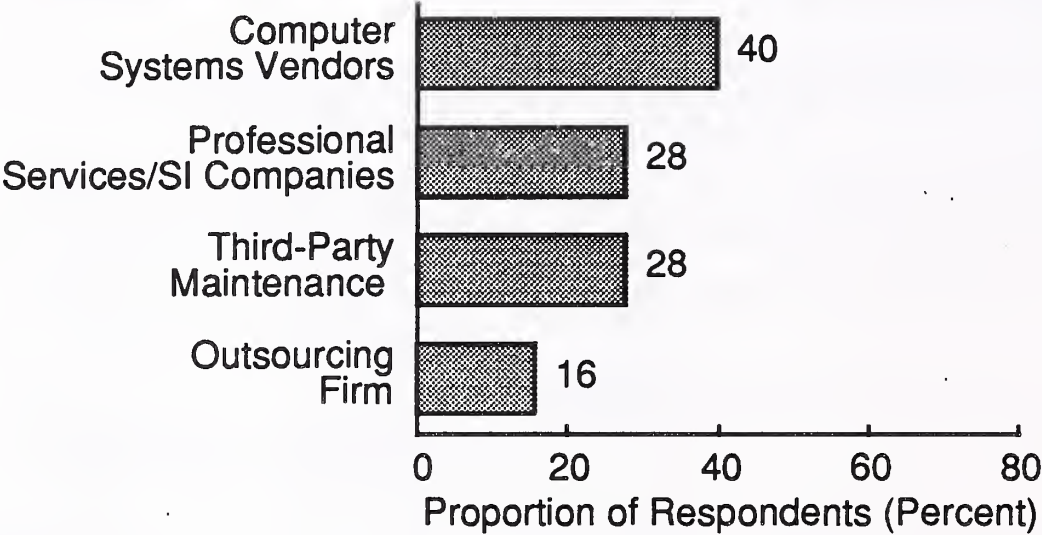


**INPUT**

MMONa-32

Notes:

# Use of Third-Party Support Vendors by Type



MMONa-33

**INPUT**

Notes:

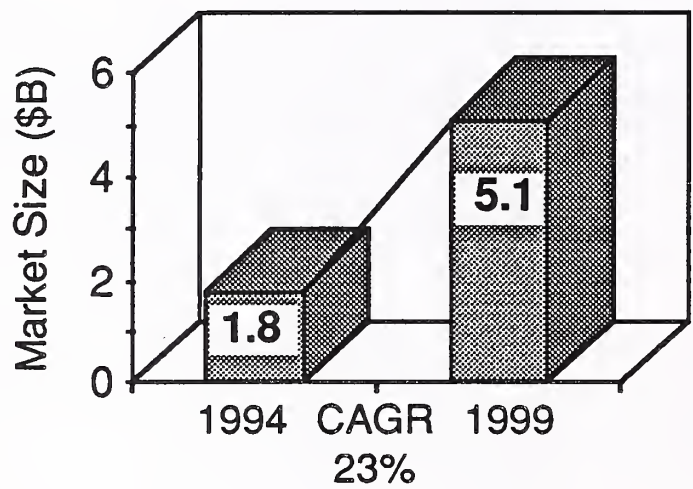
# Desktop Services

MMONa-34

**INPUT**

Notes:

# Desktop Services 1994-1999

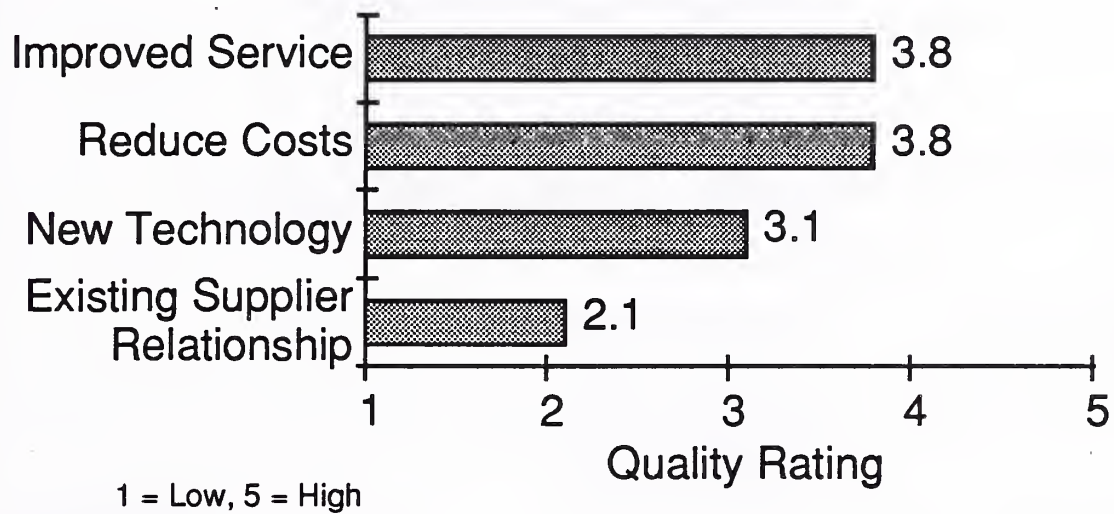


MMONa-35

**INPUT**

Notes:

## Why Users Outsource Desktop Services?



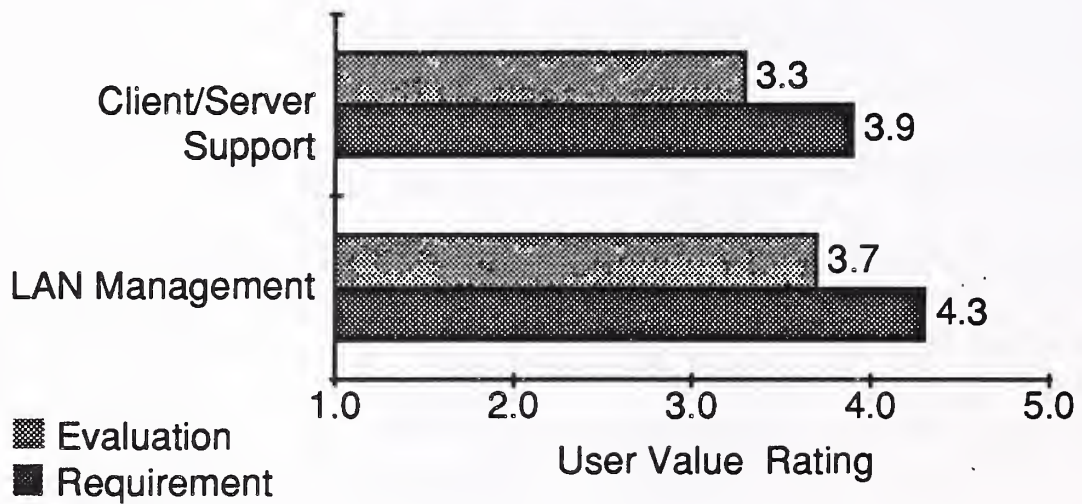
MMONa-36

**INPUT**

Notes:



## User Satisfaction



1 = Low, 5 = High

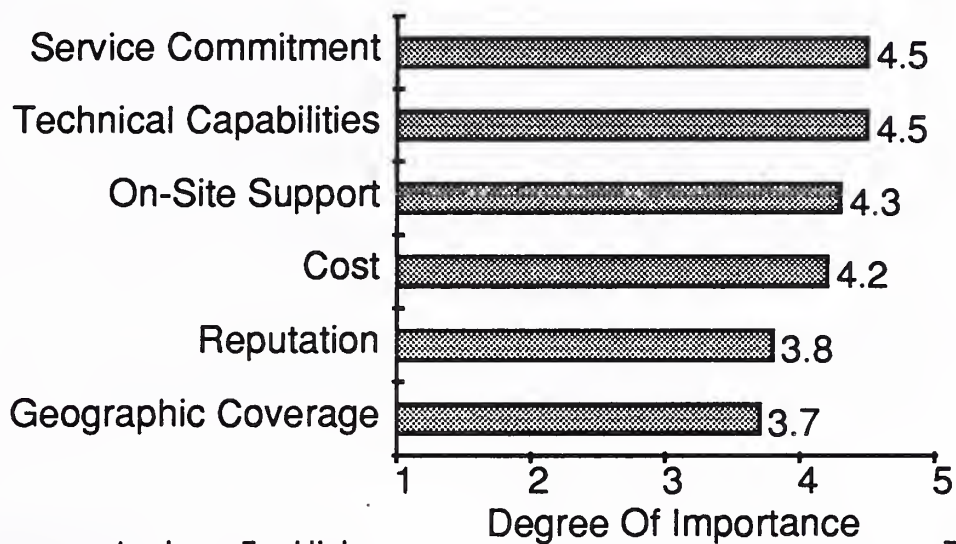
- Top requirements are not satisfied
- Traditional functions are no longer sufficient

MMONa-37

**INPUT**

Notes:

# Vendor Selection Criteria



MMONa-38

**INPUT**

Notes:

# Vendor Challenges

- Development of desktop-oriented skills
- Outsourcing/Professional Services relationship
- Maintenance of margins
- Widespread competition

MMONa-39

**INPUT**

Notes:

# INPUT In-Depth Analysis

- In-depth INPUT reports that will provide additional analyses of today's topics include:
  - Software Product and Support Strategies
  - U.S. Applications Solutions Markets
  - Desktop Video Markets
  - Desktop Services User Perspectives

MMONa-40

**INPUT**

Notes:



INTERNATIONAL IT INTELLIGENCE SERVICES

Clients make informed decisions more quickly and economically by using INPUT's services. Since 1974, information technology (IT) users and vendors throughout the world have relied on INPUT for data, research, objective analysis and insightful opinions to prepare their plans, market assessments and business directions, particularly in computer software and services.

Contact us today to learn how your company can use INPUT's knowledge and experience to grow and profit in the revolutionary IT world of the 1990s.

## SUBSCRIPTION SERVICES

- Information Services Markets
  - Worldwide and country data
  - Vertical industry analysis
- Business Integration Markets
- Client/Server Applications and Directions
- Client/Server Software
- Outsourcing Markets
- Information Services Vendor Profiles and Analysis
- EDI/Electronic Commerce
- U.S. Federal Government IT Markets
- IT Customer Services Directions (Europe)

## SERVICE FEATURES

- Research-based reports on trends, etc. (More than 100 in-depth reports per year)
- Frequent bulletins on events, issues, etc.
- 5-year market forecasts
- Competitive analysis
- Access to experienced consultants
- Immediate answers to questions
- On-site presentations
- Annual conference

## DATABASES

- Software and Services Market Forecasts
- Software and Services Vendors
- U.S. Federal Government
  - Procurement Plans (PAR, APR)
  - Forecasts
  - Awards (FAIT)

## CUSTOM PROJECTS

For Vendors—analyze:

- Market strategies and tactics
- Product/service opportunities
- Customer satisfaction levels
- Competitive positioning
- Acquisition targets

For Buyers—evaluate:

- Specific vendor capabilities
- Outsourcing options
- Systems plans
- Peer position

## OTHER SERVICES

Acquisition/partnership searches

## INPUT WORLDWIDE

### Frankfurt

Sudetenstraße 9  
D-35428 Langgöns-  
Niederkleen  
Germany  
Tel. +49 (0) 6447-6005  
Fax +49 (0) 6447-7327

### London

17 Hill Street  
London W1X 7FB  
England  
Tel. +44 (0) 71 493-9335  
Fax +44 (0) 71 629-0179

### New York

400 Frank W. Burr Blvd.  
Teaneck, NJ 07666  
U.S.A.  
Tel. 1 (201) 801-0050  
Fax 1 (201) 801-0441

### Paris

24, avenue du Recteur  
Poincaré  
75016 Paris  
France  
Tel. +33 (1) 46 47 65 65  
Fax +33 (1) 46 47 69 50

### San Francisco

1881 Landings Drive  
Mountain View  
CA 94043-0848  
U.S.A.  
Tel. 1 (415) 961-3300  
Fax 1 (415) 961-3966

### Tokyo

Saida Building, 4-6,  
Kanda Sakuma-cho  
Chiyoda-ku, Tokyo 101  
Japan  
Tel. +81 3 3864-0531  
Fax +81 3 3864-4114

### Washington, D.C.

1953 Gallows Road  
Suite 560  
Vienna, VA 22182  
U.S.A.  
Tel. 1 (703) 847-6870  
Fax 1 (703) 847-6872





